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# BRIEF

to

H. CARL GOLDENBERG, O.B.E., Q.C.

Royal Commissioner

on

Metropolitan Toronto

by

W. A. EDWARDS

81 Royal York Road, Mimico - Telephone CL. 1-1743

December 13<sup>th</sup>, 1963





March 15th., 1964,  
81 Royal York Rd.,  
Mimico, Toronto 14, Ont.

H. Carl Goldenberg, O.B.E., Q.C.,  
Royal Commissioner,  
Queens Park, Toronto 1,  
Ontario.

Sir:

This is a subsidiary to my brief dated December 13, 1963. See table #4. I wish to add a column as follows:

Year	Assessment
	<u>Percent increase over previous year</u>
1955	9 %
1956	9
1957	7
1958	5
1959	6.5
1960	5
1961	5
1962	5
1963	3
1964	4.4

This indicates clearly how assessment increasing is slowing down.

On December 5, 1963 the Metro Council approved of Executive report #65 being a decision to assume responsibility for \$50,000,000. of T.T.C. debt. On January 27, 1964 the Ontario Municipal Board, reversed its warning of year 1962 and approved of the debt transfer, under circumstances which will encourage the Toronto Transit Commission to coerce Metro taxpayers into paying the balance of Yonge, Bloor, Danforth, University Ave., Subway debt charges.

In my opinion both the Metro Council and the Ontario Municipal Board did encroach on the duties of this Royal Commission. That was a "beat the gun maneuver."


People are aroused over the Metro Tax crisis. I suggest your immediate action to bring about re-consideration of this debt transfer matter by the Metro Council.

Yours respectfully,

WAE/mf

"W. A. Edwards"





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BRIEF PRESENTED TO

H. CARL GOLDENBERG, O.B.E. Q.C. ROYAL COMMISSIONER  
METROPOLITAN TORONTO, QUEEN'S PARK, TORONTO.

SIR:

YOU HAVE MADE ANY PERSON OR ORGANIZATION, WHO ARE INTERESTED IN MUNICIPAL ADMINISTRATION, FEEL WELCOME TO APPEAR BEFORE YOU. THAT GESTURE IS APPRECIATED. I AM ALSO GRATEFUL FOR THE CO-OPERATION OF FORMER COLLEAGUES. THEIR ASSISTANCE ENABLED ME TO COMPILE THIS TREATISE.

THIS IS AN INDIVIDUAL BRIEF FROM A RESIDENTIAL TAXPAYER, WHO IS NOT A MEMBER OF ANY ELECTED BODY AT THE PRESENT TIME, BUT WHO FIRST BECAME A MEMBER OF MIMICO COUNCIL DURING THE YEAR 1921, OF YORK COUNTY COUNCIL DURING THE YEAR 1923, AND OF THE METROPOLITAN COUNCIL DURING THE YEAR 1953.

FROM THOSE BEGINNINGS, I HAVE BEEN MAYOR OF MIMICO 9 YEARS, REEVE 10 YEARS, DEPUTY REEVE 2 YEARS, COUNCILLOR 4 YEARS, A MEMBER OF MIMICO PUBLIC UTILITY COMMISSION 9 YEARS, YORK COUNTY 12 YEARS, AND OF THE COUNCIL OF METROPOLITAN TORONTO 6 YEARS.

YOU WILL READILY UNDERSTAND WITH AN EXPERIENCE SUCH AS THAT WHY I AM INTERESTED IN YOUR RESEARCH.

IT WAS MY PRIVILEGE TO BE A MEMBER OF YORK COUNTY COUNCIL WHEN EAST YORK, FOREST HILL, LONG BRANCH AND SWANSEA WERE INCORPORATED. MY MEMORY IS STILL CLEAR WHY THEY BROKE AWAY FROM THE PARENT TOWNSHIPS OF YORK AND ETOBICOKE, I CAN UNDERSTAND WHY THEY DO NOT WANT A RETURN OF THOSE CONDITIONS.





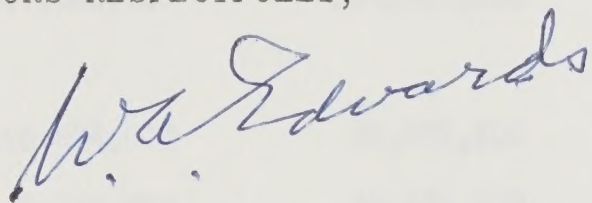
PAGE 2

MIMICO'S 1947 COUNCIL MADE APPLICATION TO THE ONTARIO MUNICIPAL BOARD FOR A METROPOLITAN SYSTEM TO GOVERN THE GREATER TORONTO METROPOLIS.

THAT COUNCIL APPOINTED A SPECIAL COMMITTEE, WHO OCCUPIED TWO YEARS COMPILING A 90 PAGE REPORT RESPECTING THE MATTER AND PILOTED PROCEEDINGS IN THAT IMPORTANT APPLICATION BEFORE THE ONTARIO MUNICIPAL BOARD. IT WAS MY PRIVILEGE TO BE CHAIRMAN OF THAT COMMITTEE, NO DOUBT DUE TO MY SUPPORT OF A METRO SYSTEM SINCE THE YEAR 1923. I WAS NICK-NAMED "METROPOLITAN GUS."

THESE ARE THE CIRCUMSTANCES WHICH INFLUENCED MY DECISION TO APPEAR BEFORE YOU.

YOURS RESPECTFULLY,

A handwritten signature in blue ink, reading "W. A. Edwards". The signature is written in a cursive, flowing style with a large initial "W" and a long, sweeping underline.

W. A. EDWARDS

81 ROYAL YORK RD.  
MIMICO, ONTARIO.  
NOVEMBER 25, 1963.





The Contents of this brief have been taken from Official  
Records and Authoritative Sources.

The Conclusions and Notes are mine.

*W. Edwards*





APPROXIMATE STATISTICS COMPARING YEAR 1954 WITH YEAR 1963

	<u>1954</u>	<u>1963</u> ( Estimated )	<u>INCREASE</u>
POPULATION .....	1,172,000	1,625,000	39%
SCHOOL ENROLLMENT			
Public.....	146,392	220,507	51%
Secondary.....	34,465	71,641	108%

	\$	\$	
SCHOOL DEBENTURES ( Gross- Current incl. Debt. Charges ) ...	52,000,000	162,000,000	212%
SCHOOL GOVT. GRANTS.....	10,000,000	44,000,000	340%
SCHOOL TAX LEVIES.....	42,000,000	113,000,000	181%
TOTAL TAX LEVIES.....	103,000,000	274,000,000	166%
GROSS CURRENT EXPENDITURES ( Incl. School Gross Require- ments )..	139,000,000	383,000,000	176%
DEBT CHARGES			
AFFECTING TAXATION.....			
General.....	10,834,000	42,851,000	296%
Education.....	4,969,000	20,594,000	314%
TOTAL ASSESSMENT.....	2,475,000,000	4,327,000,000	75%
TOTAL GOVT. GRANTS ( Including re Schools ).....	23,000,000	83,000,000	261%
CAPITAL EXPENDITURES OUT OF REVENUE			
General-Exclusive of Schools....	1,041,000	12,000,000	1053%
Metro School Board Only.....	-	4,132,000	-
BUDGET OF METRO AND CONSTITUENT MUNICIPALITIES.	128,940,071	339,361,704	162%

AVERAGE ANNUAL ASSESSMENT INCREASE.....\$205,777,777

**SOURCE:** Metropolitan Finance Commissioner's Reports.







# COMPARATIVE STATEMENT OF THE METROPOLITAN

(Source: Prospectuses published from time to time)

	1954 \$	1955 \$	1956 \$
<b>REVENUES</b>			
Levy against Area Municipalities (including Supplementary Taxation)	35,690,739	37,052,507	45,425,316
Grants and Subsidies:			
Government of Canada	3,054	2,112	1,371
Provincial Government			
Unconditional per capita Grant	4,441,028	4,982,100	4,982,100
Road Subsidy	1,272,278	1,443,815	1,641,546
Other (Homes for Aged, Children's Aid, etc.)	1,227,710	1,226,123	2,175,679
Other Municipalities	45,831	51,609	51,573
Licenses and Permits			5,195
Interest and Tax Penalties, etc.	57,782	185,853	471,005
Miscellaneous	783,497	1,273,795	1,593,421
Surplus from Prior Years		855,185	1,547,181
<b>TOTAL REVENUES</b>	<b>43,522,119</b>	<b>47,073,099</b>	<b>57,894,387</b>
<b>EXPENDITURES</b>			
General Government	2,373,435	2,886,719	3,148,370
Protection to Persons and Property	1,618,318	1,845,510	2,257,143
Public Works-Road Maintenance	2,615,004	3,659,449	3,843,811
Sanitation and Waste Removal	1,505,613	2,000,706	2,100,622
Conservation of Health	3,394,055	4,400,494	4,426,430
Public Welfare	3,337,475	3,629,129	4,931,361
Recreation and Community Services		24,772	451,305
Deficits of Utilities and Other Enterprises			4,300,000
Capital Expenditures out of Revenue	119,870	236,862	281,401
Miscellaneous Expenditures	1,069,623	302,235	774,880
<b>Total</b>	<b>16,033,393</b>	<b>18,985,879</b>	<b>24,525,334</b>
Debt Charges: (Principal and Interest)	13,172,074	17,905,069	22,825,777
Less: Provided by Toronto Transit Commission	3,338,132	3,945,737	4,069,945
Water Works System (Metro)	2,045,776	2,265,745	2,645,770
Metropolitan School Board	4,955,072	5,321,341	6,158,619
Area Municipalities	202,304	3,253,045	5,565,222
<b>Total Net Debt Charges</b>	<b>2,630,790</b>	<b>3,119,201</b>	<b>4,386,211</b>
Metropolitan School Board:			
Requirements (including Debt Charges)	32,742,062	32,657,018	37,401,471
Less: Provincial Government Grants	8,739,311	9,236,177	10,399,569
<b>Net Requirements (including Supplementary Grants)</b>	<b>24,022,751</b>	<b>23,420,841</b>	<b>27,001,902</b>
<b>TOTAL EXPENDITURES</b>	<b>42,666,934</b>	<b>45,525,918</b>	<b>55,913,457</b>
<b>SURPLUS</b>	<b>855,185</b>	<b>1,547,181</b>	<b>1,980,930</b>
	<b>43,522,119</b>	<b>47,073,099</b>	<b>57,894,387</b>



REVENUES AND EXPENDITURES 1954-1963  
CORPORATION

2

(Data on issuance of Metropolitan Toronto debentures to Oct. 1963)

<u>1957</u> \$	<u>1958</u> \$	<u>1959</u> \$	<u>1960</u> \$	<u>1961</u> \$	<u>1962</u> \$	<u>1963</u> \$
64,380,401	71,959,847	79,508,151	87,117,291	91,252,455	104,948,853	114,951,612
1,245	1,989	1,863	70,177	152,748	62,249	61,400
7,385,581	7,385,581	7,385,581	3,032,717	8,032,717	8,827,599	8,827,599
1,753,432	2,267,942	2,698,105	2,722,322	2,498,586	2,831,397	2,595,000
2,917,688	3,387,043	4,714,336	4,921,199	5,237,297	5,631,535	6,077,401
44,046	55,720	77,203	89,287	118,418	184,814	144,009
712,184	731,682	752,793	795,429	878,120	877,799	867,500
408,353	286,036	994,517	714,891	260,940	307,757	275,000
5,690,778	6,582,113	6,564,493	7,468,511	8,655,469	9,413,071	10,848,680
2,110,791	2,327,893	2,804,964	1,938,512	2,715,076	1,815,087	1,408,972
<u>35,404,499</u>	<u>94,935,846</u>	<u>105,502,006</u>	<u>113,870,336</u>	<u>119,801,826</u>	<u>134,900,161</u>	<u>146,057,173</u>
3,136,449	3,450,709	3,767,900	3,961,139	4,188,478	4,436,371	4,788,549
16,992,164	19,582,430	20,235,930	23,459,837	24,945,600	26,659,275	28,439,911
4,283,779	5,100,081	6,262,844	6,286,662	4,986,028	5,575,665	5,094,000
2,518,395	2,604,553	2,725,084	3,000,410	3,380,512	3,536,351	3,649,698
4,581,354	4,359,770	3,006,934	2,299,371	2,306,078	1,795,870	2,698,652
6,013,408	6,731,831	8,199,812	8,776,962	9,169,863	9,532,280	10,613,129
794,049	1,061,475	1,333,548	1,490,489	1,769,063	2,202,495	2,324,604
						2,500,000
6,512,085	6,763,697	7,428,192	7,689,881	7,955,936	8,363,024	8,654,023
1,232,335	1,541,040	1,640,848	1,964,603	2,224,653	3,094,095	3,694,467
<u>46,114,013</u>	<u>50,695,641</u>	<u>54,501,150</u>	<u>57,939,354</u>	<u>60,926,211</u>	<u>65,194,426</u>	<u>72,457,033</u>
27,661,253	35,812,235	44,827,354	52,467,639	60,918,068	68,341,997	76,052,444
4,217,689	4,212,152	4,199,856	4,186,251	4,668,078	4,859,601	5,524,921
3,278,337	4,429,317	5,443,013	5,604,960	5,919,322	5,942,217	5,960,543
6,757,361	7,320,652	8,793,054	9,361,567	9,894,800	10,120,109	11,026,446
7,250,863	12,641,119	17,399,606	21,703,123	26,950,928	31,229,136	35,064,422
<u>6,156,593</u>	<u>6,708,995</u>	<u>8,991,825</u>	<u>11,606,738</u>	<u>13,484,440</u>	<u>16,190,934</u>	<u>18,476,112</u>
43,361,518	54,300,627	63,367,763	67,804,897	71,435,831	80,950,542	85,653,028
12,551,895	19,524,381	23,297,249	26,195,229	27,859,743	28,844,713	30,529,000
<u>30,809,623</u>	<u>34,776,246</u>	<u>40,070,519</u>	<u>41,609,668</u>	<u>43,576,088</u>	<u>52,105,829</u>	<u>55,124,028</u>
83,080,239	92,180,882	103,553,494	111,155,769	117,986,739	133,491,189	146,057,173
2,324,260	2,804,864	1,938,312	2,715,076	1,815,087	1,408,972	-
<u>85,404,499</u>	<u>94,985,846</u>	<u>105,502,006</u>	<u>113,870,836</u>	<u>119,801,826</u>	<u>134,900,161</u>	<u>146,057,173</u>







COMPARATIVE STATEMENT OF  
THE METROPOLITAN CORPORATION AND CONSTITUENT AREA

( Source: Prospectuses published from time to time

<u>REVENUES</u>	<u>1954</u> \$	<u>1955</u> \$	<u>1956</u> \$
Real Property & Business Tax	102,557,271	114,165,509	133,690,027
Grants & Subsidies			
Government of Canada	229,285	448,522	462,693
Ontario Government-			
Unconditional per capita Grant (Metro)	4,441,028	4,982,100	4,982,100
Road Subsidy	3,561,606	4,631,234	5,243,104
Other (Homes for aged, Children's Aid, Direct Relief, Grants in lieu of Taxes, etc.)	4,704,846	5,702,984	5,873,702
Other Municipalities	139,950	138,795	23,656
Licenses & Permits	1,346,435	1,556,223	1,663,731
Interest & Tax Penalties, etc.	448,356	338,720	1,228,117
Utilities and Other Enterprises taken into Rev.	543,484	565,850	820,321
Miscellaneous	7,881,695	8,947,761	9,298,080
Surplus from Prior Years	2,886,235	2,869,556	3,170,764
<b>TOTAL REVENUES</b>	<b>128,940,071</b>	<b>144,847,344</b>	<b>166,456,295</b>
 <u>EXPENDITURES</u>			
General Government	9,595,390	11,056,231	12,000,724
Protection to Persons and Property	19,779,759	21,811,243	23,778,948
Public Works-Road Maintenance	9,693,696	12,560,295	13,334,863
Sanitation and Waste Removal	8,952,682	10,431,461	11,123,922
Conservation of Health	7,631,197	8,319,246	8,467,847
Public Welfare	7,807,345	9,000,529	10,076,650
Recreation and Community Services	4,812,039	6,284,548	6,902,603
Deficits of Utilities and Other Enterprises	404,919	245,938	2,525,469
Capital Expenditures out of Revenue	1,041,335	1,574,688	2,021,955
Miscellaneous	2,143,339	1,426,188	2,719,804
Provision for Reserves	1,293,397	955,664	960,484
 Total	 73,155,098	 83,666,031	 93,913,269
Debt Charges (Principal and Interest)	23,167,454	26,879,680	31,295,706
Less: Provided by Toronto Transit Commission	3,338,132	3,945,737	4,069,945
Waterworks Systems	2,412,298	2,674,066	3,109,463
School Boards	4,969,230	5,505,940	6,334,237
Hydro Electric Systems	1,068,443	1,828,710	2,139,087
Other Special Services	513,611	1,026,903	1,133,694
 Total Net Debt Charges	 10,865,740	 11,896,324	 14,009,280
School Boards:			
Requirements (Including Debt Charges)	51,879,962	58,015,081	69,017,834
Less - Provincial Grants	10,249,057	11,643,508	13,548,223
 Net Requirements	 41,630,905	 46,371,573	 55,469,611
 <b>TOTAL EXPENDITURES</b>	 <b>125,651,743</b>	 <b>141,935,573</b>	 <b>163,392,160</b>
 <b>SURPLUS</b>	 <b>3,288,328</b>	 <b>2,911,416</b>	 <b>3,064,135</b>
	<b>128,940,071</b>	<b>144,847,344</b>	<b>166,456,295</b>



November 18, 1963.

REVENUES AND EXPENDITURE 1954-1963  
MUNICIPALITIES ( AFTER ELIMINATION OF INTER-MUNICIPALITY TRANSACTIONS )

on issuance of Metropolitan Toronto Debentures to October, 1963 )

3

<u>1957</u> \$	<u>1958</u> \$	<u>1959</u> \$	<u>1960</u> \$	<u>1961</u> \$	<u>1962</u> \$	<u>1963</u> \$ (Estimates)
153,094,328	167,379,170	195,389,864	216,541,420	233,486,054	253,183,890	273,986,411
1,830,574	1,838,743	2,443,288	2,514,230	3,418,669	3,014,051	2,959,583
7,385,581	7,335,581	7,385,531	8,032,717	8,032,717	8,827,599	8,827,599
5,655,929	6,605,532	8,156,430	9,454,726	8,463,484	8,635,585	8,204,479
7,430,062	11,472,352	14,197,192	15,891,729	18,070,149	19,435,508	19,327,747
73,310	79,880	225,737	246,471	266,335	426,185	323,709
1,856,311	2,120,399	2,030,398	2,117,723	2,365,759	2,560,211	2,443,429
1,404,728	1,546,405	2,565,390	2,184,465	1,860,066	2,589,542	2,361,870
952,954	311,893	500,958	458,299	536,039	651,781	535,000
10,359,583	13,046,311	13,206,466	14,174,295	15,490,336	17,501,423	16,246,327
5,272,642	5,065,791	5,097,412	3,642,474	4,469,737	4,891,406	4,145,551
<u>193,296,002</u>	<u>216,852,082</u>	<u>251,250,716</u>	<u>275,258,549</u>	<u>296,459,355</u>	<u>321,717,183</u>	<u>339,361,704</u>
11,733,278	13,499,547	14,802,031	15,307,291	15,983,579	17,995,315	20,683,093
28,619,649	31,648,725	34,574,719	38,664,231	42,350,560	45,210,494	48,570,022
14,960,363	15,044,740	18,844,508	21,385,308	18,311,998	20,252,872	20,320,642
12,754,304	12,731,025	15,216,397	15,959,917	17,035,758	17,768,361	18,900,475
8,421,713	8,759,034	7,430,183	6,828,569	7,128,084	7,085,326	8,428,275
11,717,412	15,154,809	17,762,440	19,236,112	22,145,640	23,483,219	25,036,852
8,086,621	9,921,225	12,024,109	14,269,349	14,523,993	15,616,239	16,472,432
164,624	154,504	172,531	252,575	129,306	59,458	2,501,300
8,986,616	10,756,406	11,025,497	11,179,128	11,858,238	11,428,020	11,948,591
2,730,237	4,248,343	4,215,228	5,053,543	5,484,051	6,924,096	4,141,031
1,604,273	613,795	652,020	957,522	1,436,543	1,852,407	1,053,071
<u>109,829,090</u>	<u>122,532,183</u>	<u>136,720,163</u>	<u>149,093,545</u>	<u>156,387,750</u>	<u>167,675,807</u>	<u>178,055,784</u>
35,572,880	42,964,496	51,446,426	58,529,745	66,666,420	73,612,118	81,847,317
4,217,609	4,212,152	4,199,856	4,186,251	4,668,078	4,859,601	5,524,921
3,796,073	5,168,141	6,412,177	6,597,479	7,141,806	7,105,123	7,174,930
8,125,938	10,534,824	13,015,299	15,083,058	17,087,009	18,280,041	20,594,073
2,349,886	2,749,941	3,189,448	3,404,033	3,719,219	3,899,378	3,996,796
1,820,144	1,052,820	821,772	1,098,117	1,131,509	1,527,349	1,405,434
<u>15,263,150</u>	<u>19,246,618</u>	<u>23,607,674</u>	<u>28,160,807</u>	<u>32,920,799</u>	<u>37,940,626</u>	<u>42,831,163</u>
80,570,807	92,908,317	113,956,701	124,589,190	136,753,391	150,259,001	162,399,805
17,642,642	23,092,576	27,447,764	30,520,807	34,742,551	38,353,006	43,945,468
<u>62,928,163</u>	<u>69,815,741</u>	<u>86,508,937</u>	<u>93,670,683</u>	<u>101,030,439</u>	<u>111,933,993</u>	<u>118,454,757</u>
138,020,404	211,394,542	247,036,974	270,925,035	291,138,985	317,552,426	339,361,704
5,275,597	5,257,540	4,213,742	4,333,514	5,320,367	4,164,757	-
<u>193,296,002</u>	<u>216,852,082</u>	<u>251,250,716</u>	<u>275,258,549</u>	<u>296,459,355</u>	<u>321,717,183</u>	<u>339,361,704</u>







METROPOLITAN TORONTO AND CONSTITUENT MUNICIPALITIES

4

<u>YEAR</u>	<u>TAXABLE ASSESSMENT</u>	<u>TAX LEVY PER \$1,000 ASSESSMENT (Average Tax Rates)</u>
1954	2,474,696,765	41.48
1955	2,705,146,554	42.24
1956	2,952,196,368	45.32
1957	3,183,122,850	48.13
1958	3,345,110,479	50.08
1959	3,564,007,758	54.86
1960	3,792,633,170	57.13
1961	3,977,593,230	58.74
1962	4,171,512,246	60.75
1963	4,327,011,292	63.32
Average Annual Assessment increase		\$205,812,725.
Average Annual Government Grant increase		
for all purposes, including schools		6,666,000.
Average Annual Tax Rate Increases		2.43 mills





TOTAL DEBTURE DEBT OF THE TORONTO METROPOLITAN AREA

	Outstanding as at			
	December 31 1962	December 31 1961	December 31 1960	December 31 1959 January 1 1954
Area Municipalities' Debentures -				
Assumed by Metropolitan Corporation.....	\$ 89,645,795	\$ 96,140,038	\$102,954,128	\$158,251,105
Not Assumed.....	27,485,299	31,055,881	35,132,838	78,397,605
Total.....	\$117,131,094	\$127,195,919	\$138,086,966	\$236,648,710
Metropolitan Corporation Debentures.....	666,027,378	584,491,227	525,222,038	-
Total Debt of Metropolitan Toronto Area.....	\$783,158,472	\$711,687,146	\$663,309,004	\$236,648,710
Less Self-Liquidating Debentures -				
Toronto Transit Commission.....	77,718,000	69,725,000	67,490,000	65,600,000
Waterworks.....	74,887,064	74,295,186	73,315,628	22,188,146
Hydro-Electric Systems.....	41,170,894	41,045,669	40,103,168	12,335,114
Basic 3% Sinking Funds re Debts other than above.....	64,540,461	47,177,608	32,556,838	-
Total Net Debt of Metropolitan Toronto Area.....	\$524,842,053	\$479,443,683	\$449,843,370	\$136,525,450
Population (As determined by the Metropolitan Assessment Department)...	1,625,405	1,576,464	1,527,105	1,172,556
Net Debt per Capita.....	\$ 322.90	\$ 304.13	\$ 294.57	\$ 116.43
Assessment - As determined for apportionment of Metropolitan levy against Area Municipalities in the following year.....	\$4,327,011,292	\$4,171,512,246	\$3,977,593,230	\$2,474,696,765
Net Debt as percentage thereof.....	12.13%	11.49%	11.31%	5.52%
	Metropolitan Toronto Debentures	Area Municipalities' Debentures	Total	
	\$666,027,378	\$89,645,795	\$783,158,472	
Total Debt of Metropolitan Toronto Area as at December 31, 1962.....				
Payable in:				
Canada.....	\$450,416,378	\$42,464,458	\$518,195,972	
United States.....	215,611,000	47,181,337	264,962,500	
September 25, 1963.	\$666,027,378	\$89,645,795	\$783,158,472	





6

TRANSIT CORPORATION OF TORONTO

STATEMENT RE: T. T. C. ANNUAL REPORT

COMPARATIVE SUMMARY OF FINANCIAL STATEMENTS

	Balance Sheet January 1	Number of Fares	General Fares	Operating Revenue	Operating Expenditure (Including Debt Service)	Capital or Loan	Interest Debt
1953	1,172,556	320,249,800	8 1/3 - 10	\$29,402,214.	\$31,758,134.	(\$2,355,920.)	\$3,338,132.
1954	1,250,775	312,805,000	10	31,336,889.	34,145,452.	(\$2,808,563.)	3,945,737.
1955	1,304,363	303,818,500	10-12 1/2	35,449,140.	34,611,393.	837,747.	4,069,945.
1956	1,358,028	295,138,700	12 1/2	38,821,938.	36,977,506.	1,844,432.	4,219,889.
1957	1,380,775	290,888,500	12 1/2	37,818,483	36,942,022	876,461.	4,212,152.
1958	1,429,207	290,201,000	12 1/2	37,936,783	38,033,558.	(96,775.)	4,199,856.
1959	1,487,319	282,228,000	12 1/2 - 15	41,222,115	39,943,641	1,278,474.	4,186,251.
1960	1,527,105	267,645,000	15	40,620,825.	40,245,403.	375,422.	4,552,772.
1961	1,576,161	268,299,000	14 2/8	40,651,043.	41,474,474.	(223,431.)	4,859,601.
				332,749,080.	355,131,585.		
				Loss - 9-year period - \$382,505.00 (See note below)			
1963 Esti- date	1,652,405	272,000,000	14.28 - 16.66			(600,000.)	5,524,924.

NOTES: 1. The T.T.C. began financing Yonge St. Subway debt charges from Current Revenue during the year 1954. The 1954 and 1955 losses were helped by Fare Stabilization Reserve.

2. The T.T.C. began financing the 1954 and 1955 losses from the 1954 and 1955 losses.

3. I want to emphasize that the \$382,505.00 nine year loss would be a profit of \$1,917,500 if the 1954 and 1955 losses were included in Revenue.

4. December 15th 1963





TORONTO TRANSIT COMMISSION  
(and its predecessor, the Toronto Transportation Commission)  
COMPARATIVE STATEMENT OF INCOME AND EXPENDITURE

FOR THE YEARS 1921-1956 INCLUSIVE  
(all amounts stated in thousands)

	Passenger fares collected	Gross operating income	Operating expenses	Net operating income	Net operating income as a % of gross operating income	Interest charges	Allowance for depreciation	Total interest and depreciation	Interest and depreciation as a % of gross operating income	Interest income	Net income or (loss)
1921 (4 months)											
1922	61,870	\$ 4,165	\$ 2,810	\$1,355	32.5%	\$ 568	\$ 421	\$ 989	23.7%	\$ 46	\$ 366
1923	187,145	12,045	8,744	3,301	27.4	2,020	1,017	3,037	25.2	40	310
1924	189,143	11,986	8,362	3,624	30.2	2,294	1,145	3,439	28.7		225
1925	185,204	11,882	8,062	3,820	32.1	2,422	1,286	3,708	31.2	7	119
1926	180,780	11,680	7,528	4,152	35.5	2,291	1,783	4,074	34.9	30	108
1927	183,494	11,936	7,641	4,295	36.0	2,234	2,038	4,272	35.8	114	137
1928	187,757	11,962	7,380	4,582	38.3	2,181	2,310	4,491	37.5	157	248
1929	193,643	12,389	7,617	4,772	38.5	2,133	2,390	4,523	36.5	115	364
1930	206,823	13,201	8,275	4,926	37.3	2,125	2,363	4,488	34.0	125	563
1931	199,523	12,739	8,247	4,492	35.3	1,982	2,393	4,375	34.3	120	237
Average for nine and one-third years	190,220	\$12,213	\$ 8,000	\$4,213	34.5%	\$2,170	\$1,837	\$4,007	32.8%	\$ 81	\$ 287
1931	182,923	\$11,668	\$ 7,440	\$4,228	36.2%	\$1,927	\$2,525	\$4,452	38.2%	\$112	\$ (112)
1932	161,623	10,295	6,370	3,925	38.1	1,861	2,447	4,308	41.8	117	(266)
1933	147,582	9,477	5,726	3,751	39.6	1,754	2,394	4,148	43.8	95	(302)
1934	150,826	9,667	5,874	3,793	39.2	1,681	2,398	4,079	42.2	112	(174)
1935	148,716	9,546	5,749	3,797	39.8	1,611	2,447	4,058	42.5	139	(122)
1936	150,135	9,647	5,861	3,786	39.2	1,518	2,407	3,925	40.7	133	(6)
1937	150,444	9,675	5,733	3,942	40.7	1,423	2,464	3,887	40.2	144	199
1938	150,572	9,705	5,788	3,917	40.4	1,343	2,634	3,977	41.0	102	42
1939	154,090	9,912	5,819	4,093	41.3	1,257	2,647	3,904	39.4	57	246
Average for nine years	155,212	\$ 9,955	\$ 5,039	\$3,916	39.3%	\$1,597	\$2,485	\$4,082	41.0%	\$111	\$ (55)
1940	168,147	\$10,800	\$ 6,227	\$4,573	42.3%	\$1,163	\$2,887	\$4,050	37.5%	\$ 65	\$ 588
1941	193,608	12,430	7,044	5,386	43.3	1,030	2,985	4,015	32.3	80	1,451
1942	238,992	15,306	8,488	6,818	44.5	942	3,221	4,163	27.2	121	2,776
1943	278,539	17,756	11,359	6,397	36.0	850	2,708	3,558	20.0	266	3,105
1944	293,800	18,718	11,476	7,242	38.7	751	2,608	3,359	17.9	360	4,243
1945	303,350	19,272	12,425	6,847	35.5	654	2,461	3,115	16.2	438	4,170
1946	310,116	19,775	13,668	6,107	30.9	573	2,331	2,904	14.7	524	3,727
Average for seven years	255,222	\$16,294	\$10,098	\$6,196	38.0%	\$ 852	\$2,743	\$3,595	22.1%	\$265	\$ 2,866
1947	307,591	\$19,664	\$15,679	\$3,985	20.3%	\$ 489	\$2,089	\$2,578	13.1%	\$528	\$ 1,935
1948	311,156	19,998	16,999	2,999	15.0	399	2,030	2,429	12.1	443	1,013
1949	313,764	20,343	17,844	2,499	12.3	302	2,414	2,716	13.4	341	124
1950	310,425	20,177	18,678	1,499	7.4	329	2,467	2,796	13.9	145	(1,152)
1951	302,890	22,027	20,263	1,764	8.0	429	2,438	2,867	13.0	228	(875)
1952	273,350	23,166	20,012	3,154	13.6	214	2,362	2,576	11.1	75	653
1953	286,851	24,326	21,465	2,861	11.8	419	2,322	2,741	11.3	89	209
Average for seven years	300,861	\$21,386	\$18,706	\$2,680	12.5%	\$ 369	\$2,303	\$2,672	12.5%	\$264	\$ 272
1954	320,250	\$29,360	\$27,141	\$2,219	7.6%	\$1,774	\$2,843	\$4,617	15.7%	\$ 42	\$ (2,356)
1955	312,805	31,269	27,737	3,532	11.3	2,341	3,567	5,908	18.9	67	(2,309)
1956 (estimate)	303,818	34,758	27,967	6,791	19.5	2,377	3,859	6,236	17.9	111	666
Average for three years	312,291	\$31,796	\$27,615	\$4,181	13.1%	\$2,164	\$3,423	\$5,587	17.6%	\$ 73	\$ (1,333)

Note: During the earlier years it was the Commission's practice to record certain non-operating transactions through the surplus account. We have not attempted to redistribute these items as the net effect would be relatively insignificant.





METRO SUBSIDIES TO T. T. C.

8

<u>Year</u>	<u>Operating Subsidies</u> <u>2 Mill subsidy</u> <u>plus operating</u> <u>subsidies</u>	
1954	Nil	
1955	Nil	
1956	\$2,300,000.00	(a) Operating subsidy \$2,300,000.
1957	Nil	
1958	Nil	
1959	\$7,428,192.00	
1960	7,889,881.00	
1961	7,955,936.00	
1962	8,363,020.00	
1963	11,154,023.00	(b) Operating subsidy \$2,500,000.
1964 (Estimate)	13,000,000.00	(c) Debt paying subsidy \$4,150,000. based on Metro Executive Report #65 - Dec. 5, 1963.

Compiled by W. A. Edwards

December 13, 1963

Source - Metro Finance Commissioner's Reports

These tabulations show the number of fares collected has reduced, costs have increased, and the difference has been made up by operating subsidies and increased fares.



METROPOLITAN TORONTO  
AREA MUNICIPALITIES' MILL RATES - 1963  
(Including Metro Levies for Education and General Purposes)

9

	<u>1954</u>	Public		Separate	
		School Supporters		School Supporters	
		Residential	Commercial	Residential	Commercial
City of Toronto	43.50	65.2	72.59	65.2	72.59
East York	38.50	58.	64.84	56.75	63.56
Etobicoke (1)	34.60	52.7	60.	54.65	62.17
Forest Hill	37.80	52.9	59.886	53.8	61.086
Leaside	32.00	46.43	53.18	48.94	55.99
Long Branch	36.00	55.	61.31	57.88	64.5
Mimico	37.00	54.	60.5228	54.	60.5228
New Toronto	37.00	51.7894	57.152	55.0664	60.792
North York (2)	36.90	55.64	64.05	53.98	62.2
Scarborough (3)	43.83	63.9	71.96	63.68	71.71
Swansea	34.77	48.48	54.76	51.81	58.46
Weston	40.00	56.405	62.835	60.095	66.945
York Township	36.54	59.6	66.65	58.33	65.22





10

CAPITAL FINANCING FROM CURRENT REVENUE

Metro and Area Municipalities:

Per Year	\$12,000,000.
Schools	<u>10,500,000.</u>
Total	22,500,000.

The Main Item is the 2 mills for Subway Expenditures. This saves millions in debt charges.

It costs over 5 mills in tax rates.

You will not want to overlook this factor.





1, 24

METROPOLITAN TORONTO

AND

CONSTITUENT MUNICIPALITIES

OFFICIAL RECORDS INDICATE AS FOLLOWS.

See  
Table  
1

COMPARING YEARS 1963 WITH 1954, POPULATION INCREASED 39%.  
PUBLIC SCHOOL ENROLEMENT 51%.

NET DEBT CHARGES (INCLUDING SCHOOLS)		
YEAR	BUDGETS	
1963	\$339,361,704	\$63,445,236
1954	\$128,940,071	\$15,834,790
INCREASE	210,421,633	47,610,446
3 AVERAGE ANNUAL INCREASE	\$23,380,181	5,290,049
ANNUAL BUDGET INCREASE	\$23,380,181	
DEBT CHARGE INCREASE	5,290,042	
Other Purposes Increase	186,090,139	

THIS PROVES THE MAJOR CAUSE OF TAX INCREASING IS NOT DEBT  
CHARGES FOR MAJOR CAPITAL PROJECTS, AS SO OFTEN IS IMPLIED.  
THIS BRIEF WILL SUGGEST AMALGAMATION AND BOROUGH SYSTEM  
PROPOSALS WILL MAKE EXPENDITURES MORE DIFFICULT TO CONTROL.  
BOTH ARE PANACEAS WHICH WILL NOT CURE METRO'S GROWING PAINS  
AND TAX ILLS, WHICH ARE MAINLY DUE TO INCREASED OPERATING  
EXPENDITURES. AN ALREADY BAD TAX SITUATION WILL BECOME  
WORSE.

See Tables 3	YEAR	TAX LEVY
	1963	\$273,986,411
	1954	102,557,271
	INCREASE	171,429,140
AVERAGE ANNUAL INCREASE		19,047,682

AVERAGE ANNUAL TAX RATE (DIVIDE SECONDARY SCHOOL ASSESSMENT  
INTO TAX LEVY)

See Tables 13 3 And 8	YEAR	TAX RATE	
	1963	63.31	MILLS
	1954	41.45	"
	AVERAGE ANNUAL INCREASE	21.86	"
		2.43	"



13

TORONTO CITY AUTHORITIES REQUESTED HONOURABLE JOHN ROBARTS, PREMIER OF THE PROVINCE OF ONTARIO TO AMALGAMATE METRO TORONTO AND CONSTITUENT MUNICIPALITIES. THE PREMIER APPOINTED THIS ROYAL COMMISSION TO INVESTIGATE THE MATTER. THE ISSUE IS EXCESSIVE TAXATION.

SEE  
TABLES

TORONTO HAS THE HIGHEST METRO TAX RATE, EVEN THOUGH 59% OF CITY ASSESSMENT IS COMMERCIAL. THREE FACTORS ARE OUTSTANDING AS FOLLOWS:

1. EXCESSIVE OPERATING EXPENDITURES.
2. TRANSFER OF TRANSIT RESPONSIBILITY TO TAXPAYERS.
3. PARTIAL ASSESSMENT EXEMPTION (\$46,000,000) FROM TAXATION ON RESIDENTIAL PROPERTY.

THE AVERAGE ANNUAL TAX RATE INCREASE SINCE YEAR 1954 ACROSS METRO IS 2.43 MILLS. TORONTO RESIDENTIAL PROPERTY 2.41 MILLS. THE METRO FINANCE COMMISSIONER FORECAST TAX RATES WILL CONTINUE TO INCREASE (I THINK WITH GREATER VELOCITY) DURING NEXT 10 YEARS UNDER PREVAILING CONDITIONS.

IT WOULD BE TRAGIC AS I SEE IT, NOW THAT A TAX CRISES IS UPON US, TO PRESCRIBE A SEDATIVE OR PANACEA INSTEAD OF PROPERLY CORRECTING THE MATTER. OUR PRESENT EFFORTS WILL BE JUDGED BY RESULTS, TO PROVIDE WAYS AND MEANS TO AT LEAST STABILIZE ALREADY EXCESSIVE REAL ESTATE TAXATION (WHICH WAS NEVER DESIGNED FOR PRESENT DAY EXPENDITURE TRENDS) IS OUR GOLDEN OPPORTUNITY; LET US MASTER IT NOW. A DISMAL FUTURE WILL SHOW UP QUICKLY, LET NO ONE TRY TO CONFUSE THE BASIC CAUSE OF THE TAX TROUBLE.

I AM APPREHENSIVE ABOUT DISMISSING THOSE WHO HAVE ADMINISTERED THEIR MUNICIPALITIES WITH LOWER TAXATION AND HANDING CONTROL OVER TO THOSE WHO HAVE LED THEIR MUNICIPALITY INTO A TAX CRISIS.





## A UNIFORM TAX RATE

TORONTO'S OBJECTIVE IS A UNIFORM TAX RATE. THAT SEDATIVE WILL FAIL. IT WILL DO NOTHING--ABSOLUTELY NOTHING--ABOUT THE BASIC CAUSE OF OUT-OF-CONTROL TAXATION. INDEED THEIR OBJECTIVE IS TO CONTINUE INDULGENCE IN THE CAUSE OF TAX ABUSE; TO CONTINUE CONFUSION GUARD AGAINST THOSE TRICKS.

A UNIFORM TAX RATE DIRECTS ATTENTION AS FOLLOWS:

SEE  
TABLES

1. THE EQUALIZING FACTOR
2. THE PAST NATURAL INCREMENT AND FUTURE FORECAST FACTORS
3. THE PARTIAL EXEMPTION ON RESIDENTIAL PROPERTY FACTOR  
PRACTISED IN TWO MUNICIPALITIES IN METRO.

THIS FACTOR INCREASES TORONTO TAX RATE OVER 1 MILL.

13

COUPLE THESE FACTORS WITH EXISTING TAX RATE DIFFERENTIALS AND ASSESSMENT PROPORTIONS, THEN A UNIFORM TAX RATE MEANS AS FOLLOWS:

1. A TAX REDUCTION FOR NOBODY.
2. A RADICAL TAX INCREASE FOR A MINORITY.
3. A PERENNIAL TAX INCREASE FOR ALL.
4. A DISMAL FAILURE AS A SOLUTION TO OUR PROBLEM.

ONCE AGAIN, THE UNIFORM TAX RATE DOES NOT GO TO THE CAUSE OF TAX TROUBLE. TO CORRECT TAX TROUBLE WE MUST-

1. NOT PANIC
2. STUDY AND ACT RESPECTING ALL ASPECTS
3. PLACE RESPONSIBILITY WHERE IT BELONGS
4. ENCOURAGE PRUDENCE
5. OBTAIN A LARGER FIELD OF TAXPAYERS
6. AVOID DOUBLE TAXATION, SUCH AS UNQUALIFIED SALES TAX.
7. RECOGNIZE AN INDIVIDUAL, OR A FEW INDIVIDUALS, CLAD IN THE ARMOUR OF A RIGHTEOUS CAUSE, IS MORE POWERFUL THAN ALL THE HOSTS OF ERROR. TO LOAD PREVAILING EXPENDITURES TRENDS ON A MINORITY OF THE POPULATION (MUNICIPAL TAXPAYERS) PERMIT A HOST OF OTHERS TO ESCAPE THEIR RESPONSIBILITY, BUT THEY CONTROL THE EXPENDITURES, THIS IS AN ERROR THAT SHOULD BE CORRECTED AND LEADS TO A SOLUTION.

PRINCIPLES NEVER CHANGE. CONDITIONS ALWAYS CHANGE. GOVERNMENT MUST NECESSARILY BE A CONSTANT EVOLUTION OF CHANGES--SO--LET US NOT PANIC, into a panacea, BUT CALMLY CONSIDER IMPROVING WHAT WE NOW HAVE.

THIS BRIEF WILL DIRECT ATTENTION AS FOLLOWS:

1. WAGE COSTS.
2. TRANSIT SUBSIDIES.
3. CASH FINANCING.
4. SECURITY.
5. RECOMMENDATIONS.





WAGE COSTS

THE METRO FINANCE COMMISSIONER ISSUES A PROSPECTIVE ANNUALLY, TABLES 2& 3 OF THIS BRIEF ARE EXTRACTS THEREFROM, AND ARE STATEMENTS OF CONSOLIDATED REVENUE AND EXPENDITURES OF 125 (MORE OR LESS) DEPARTMENTS OF 14 METRO AND CONSTITUENT MUNICIPALITIES. THESE STATEMENTS ARE MODELS OF SIMPLICITY IN REPORTING A VERY INTRICATE MATTER, FOR WHICH I COMPLIMENT MR. LASCELLES.

BUT AS A MATTER OF FACT (CERTAINLY NOT A CRITICISM) EVEN THOSE STATEMENTS DO NOT MAKE READILY ACCESSIBLE INFORMATION WHICH WILL GIVE THE ROYAL COMMISSION A LEAD TO THE OUT-STANDING CAUSE OF A TAX CRISES. THE FREQUENCY AND MAGNITUDE OF INCREASED WAGE COSTS IS DUE TO TWO FACTORS AS FOLLOWS:

1. MORE EMPLOYEES
2. INCREASED WAGES

THE QUESTION IS, HOW MUCH HAVE WAGE COSTS INCREASED PER AVERAGE YEAR SINCE 1954? MY GUESS IS \$12,663,003.

MY REQUEST MR. COMMISSIONER IS, ENLIGHTEN US RESPECTING THIS WAGE MATTER. WE DO KNOW AS FOLLOWS:

BUDGETS AVERAGE ANNUAL INCREASE				\$23,380.181
NET DEBT CHARGES				
INCLUDING SCHOOLS	"	"	"	5,290,049
OTHER PURPOSES	"	"	"	18,090,231

IN MY OPINION 70% OF THE COST OF PUBLIC SERVICES IS FOR WAGES OF METRO EMPLOYEES.

70% OF 18,090.231 = \$12,663,093 MADE UP AS FOLLOWS:

FOR MORE EMPLOYEES \$2,663,093

see  
tables WAGE INCREASES 10,000,000

2 THERE IS NO DOUBT WAGE COSTS HAVE INCREASED MORE THAN DOUBT THE SECOND HIGHEST INCREASE (DEBT CHARGES) AND IS THE MAJOR CAUSE OF CUR TAX CRISES.



TORONTO TRANSIT COMMISSION

DURING THE YEAR 1958, THE TORONTO TRANSIT COMMISSION AGREED TO PAY ABOUT 45% OF THE BLOOR DANFORTH UNIVERSITY AVE. SUBWAY COST. THEY DO NOT INTEND TO PAY ONE NICKEL OF THAT COST. THAT WAS MY OPINION IN 1958. NOW I BELIEVE THEY AIM TO LOAD YONGE STREET SUBWAY CHARGES ALSO ON THE TAXPAYERS. WE SHALL SEE WHAT HAPPENS.

THE MAIN OBJECTIVE IN T.T.C. AND THEIR COUNTER-PARTS ON TORONTO AND METRO COUNCILS IS, BUILD SUBWAYS IN TORONTO, CHARGE 60% OF THE COST TO SUBURBAN TAXPAYERS, PLUS DOUBLE FARES TO PATRONS WHO CROSS ZONE 1 BOUNDRY, TO ENABLE SINGLE SUBWAY FARES AND CHARGE THE BALANCE OF SUBWAY CONSTRUCTION COST TO THE ONTARIO GOVERNMENT AND TORONTO TAXPAYERS.

THE T.T.C. HAS LOST ABOUT \$25,000,000 SINCE THE YEAR 1955 BY DELAYING FARE INCREASES AND BY EVEN REDUCING FARES UNDER INCREDIBLE CIRCUMSTANCES. ONE COMMISSIONER OBJECTED-LATER HE RESIGNED. NOW THE PROPOSAL (FOR WHAT IT IS WORTH) IS AS FOLLOWS:

	1. INCREASE ADULT FARES TO 16.66 CENTS JANUARY 1, 1964.			
see	20 CENTS JANUARY 1, 1966.			
Tables	22½	"	"	" 1968.
5,6,7	25	"	"	" 1977.

BUT NO TRANSIT FARE COST EXCEEDING TWO YEARS IS WORTH MUCH.

2. METRO TAXPAYERS TO SUBSIDIZE THE TORONTO TRANSIT SYSTEM 2 MILLS OF TAXATION, WHICH NOW EQUALS ABOUT \$9,000,000 PER YEAR, PLUS BEGINNING IN YEAR 1964, \$4,150,000 TO INCREASE EACH YEAR AN UNDETERMINED AMOUNT DEPENDING UPON THE SPEED OF SUBWAY CONSTRUCTION.

THE T.T.C. LOST \$7,750,000 AS A RESULT OF DELAYING A FARE INCREASE FROM 10 TO 12½ CENTS FROM JULY 1st. 1955 TO JULY 1st. 1956. CONTRARY TO SIMPSON, ONG, WILSON RECOMMENDATIONS.

FARES WERE REDUCED FROM 15 TO 14.28 CENTS MAY 1-1961, WHEN IN THE CIRCUMSTANCES THAT IS WHEN THE 6 FOR 1.00 FARE SHOULD HAVE BEEN CHARGED. THAT FIASCO COST THE T.T.C. OR METRO TAXPAYERS OVER \$17,000,000 TO DEC. 31-1963.

THE 1963, UP AGAIN; DOWN AGAIN; UP AGAIN; SUBSIDY AGAIN AND DEFICIT AGAIN FARE SHENANIGANS IS STILL FRESH IN OUR MEMORY. IT IS A SICKENING CASE OF CONFUSION OR ANYTHING AGAIN, SO LONG AS, SUBURBAN TAXPAYERS PAY DOUBLE FARES AND 60% OF SUBWAY CONSTRUCTION COSTS.

THE TRANSIT DEPLETION OF RESERVES; DEFICIT FINANCING, AND POLITICAL FOOT-BALLING BY THE TORONTO TRANSIT COMMISSION AND THEIR COUNTER PARTS NEED SPECIAL INVESTIGATION.





16

ASSUMPTION OF T.T.C. DEBT

SEE TABLE

On December 5, 1963 the Metro Council, (not unanimously) maneuvered a scoop which I interpret to have three main factors as follows:

1. Increase net estimated Subway expenditures (including Yonge St. Subway outstanding debt) comparing Year 1963 with Year 1958 a Grand Total of \$65,000,000. mainly for Bloor St. Subway extensions.

2. Reduce T.T.C. Debt responsibility \$59,000,000.

3. Increase Metro responsibility \$106,000,000.

The matter awaits approval of the Ontario Municipal Board at this time of writing.

Metro Explanations are so confusing a novice would gawk. My explanation is tabulated as follows:

Grand total estimated Subway expenditures, including outstanding Yonge St. Subway debt.

	<u>1958 Estimate</u>	<u>1963 Estimate</u>
	\$278,000,000.	\$343,000,000
T.T.C. to pay	\$156,000,000.	\$ 97,000,000.
Metro to pay	122,000,000.	226,000,000.
Ontario Government to pay	<u>NIL</u>	<u>20,000,000.</u>
	278,000,000.	343,000,000.

4 The T.T.C. delayed a fare increase during year 1955 and reduced fares during year 1961 under incredible circumstances. The result was to encourage Subsidies from Metro. Now the proposal (for what it is worth) is a radical increase in both fares and subsidies or the equivalent.

The statistics in the foregoing are approximate and are used for explanatory purposes.





Since year 1955 Toronto Transit affairs have been hectic. That group has joined the "soak the minority who are municipal tax payers, so what!" movement. Their counterparts are council members who have organized a second crusade, e.g. build subways in Toronto and charge most of the cost to Suburban Taxpayers. The December 5, 1963 manouvre is probably their boldest scoop.

About 80% (or more) of Metro's contribution to Subways is paid in cash from general Revenue or Taxation. All T.T.C. contributions are financed with borrowed money. Operating Subsidies from Metro Taxpayers, exceed debt charges paid by the T.T.C. who agree to pay as little as they can; after which they start an astute propoganda campaign to load their debt charges onto Taxpayers. And the T.T.C. are getting away with such maneuvering.

The current or general Revenue position of the T.T.C. is poor or less good, due to delay in fare increasing or even reducing fares in incredible circumstances to encourage Subsidies from Taxpayers. Now the T.T.C. go to the opposite extreme and want, or imply they want, both extreme fares and extreme subsidies.

It looks as though the T.T.C. aim to escape all (including Yonge St.) Subway construction responsibility.

This whole Transit matter I suggest, should have special attention from this Royal Commission.



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## CASH FINANCING OF CAPITAL PROJECTS

SOME BRAG ABOUT HOW MUCH THEY CAN PERSUADE THE METRO COUNCIL TO PERMIT THEM TO BORROW FOR CAPITAL EXPENDITURES.

I BRAG THE TOWN OF MIMICO HAS ISSUED NO DEBENTURES FOR LOCAL PURPOSES (NOT FULLY PAID) FOR 13 YEARS, AND MIMICO HAS THE FOURTH LOWEST METRO TAX RATE--SO--TAKE YOUR CHOICE.

WITH PRUDENCE MIMICO CAN CELEBRATE CENTENNIAL YEAR BY BURNING ITS FINAL BOND FOR LOCAL PURPOSES. THESE DEBT PAYING CHARGES EQUALLED ABOUT 5 MILLS OF TAXES DURING THE YEAR 1954.

TO-DAY, CASH FINANCING OF CAPITAL EXPENDITURES COST METRO TAXPAYERS OVER 5 MILLS. THAT IS THE MOST ECONOMICAL WAY, BUT OPERATING COSTS HAVE BECOME SO EXCESSIVE, WE MAY HAVE TO CURTAIL CASH FINANCING.

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## SECURITY

NET DEBT IS A PER CENT OF TAXABLE ASSESSMENT, WHICH HAS BEEN USED TO GAUGE SECURITY. THAT GAUGE IS OUT OF DATE BECAUSE THE EXTREME INCREASE IN OPERATING COSTS, NO LONGER CAN BE IGNORED. IT INTERFERES WITH DEBT PAYING ABILITY SUBSTANTIALLY.

see

table

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THE SALES TAX IS DOUBLE TAXATION FOR MUNICIPAL TAXPAYERS. THAT CURE CAN BE WORSE THAN THE DISEASE, IF IT STIMULATES ANOTHER "RUSH TO THE PUBLIC TROUGH" AS IT LIKELY WILL, UNLESS IT IS QUALIFIED. A 1% SALES TAX WILL YIELD IN THE PROVINCE OF ONTARIO ABOUT \$58,000,000 ANNUALLY.

NOW, MR. ROYAL COMMISSIONER, I AM GOING TO STICK MY NECK OUT STILL FURTHER--SO MUST YOU TO SOLVE THIS PROBLEM. THE ONLY PLACE I KNOW OF IN CANADA, WHERE THEY ARE DOING ANYTHING ABOUT THIS TAX MATTER OTHER THAN TALK, IS BRITISH COLUMBIA. AND THE PEOPLE OF B. C. (NOT THE GOVERNMENT) ARE RETURNING W.A.C. BENNETT, PREMIER OF B.C. BACK INTO POWER TIME & TIME AGAIN FOR GIVING THEM AN ANNUAL REBATE (EVEN WITH ITS FAULTS) KNOWN AS THE HOME OWNERS AID.

I VISITED VANCOUVER RECENTLY, WITH AN OPEN MIND; TALKED WITH MUNICIPAL AUTHORITIES AND TAXPAYERS, LISTENED TO THE PROS & CONS OF THAT LEGISLATION AND CAME AWAY CONVINCED IT DID MUCH TO OFFSET DOUBLE TAXATION CAUSED BY A 5% SALES TAX. IT IS A STEP IN THE RIGHT DIRECTION. WE CAN GIVE ONTARIO AN IMPROVED MODEL.





RECOMMENDATIONS

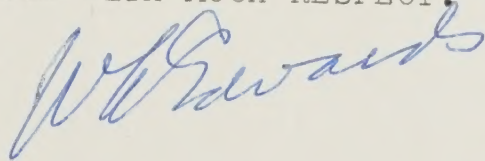
1. CONTINUE THE METRO SYSTEM OF LOCAL GOVERNMENT.
2. THE ONTARIO GOVERNMENT TO PAY TAX REBATES DIRECT TO MUNICIPAL RESIDENTIAL TAXPAYERS, INSTEAD OF PAYING ALL GRANTS TO MUNICIPAL AUTHORITIES. WHERE PARTIAL EXEMPTION ON RESIDENTIAL PROPERTIES IS PRACTISED BY LOCAL AUTHORITIES, SUCH EXEMPTIONS TO BE CONSIDERED IN PAYING PROVINCIAL REBATES.
3. STRIP MUNICIPAL AUTHORITIES OF POWER TO LEVY TAXES IN EXCESS OF 5½% OF 1963 ASSESSMENT, WITHOUT APPROVAL OF TAXPAYERS ENTITLED TO VOTE ON MONEY BY-LAWS.
4. EMPOWER METRO TO APPOINT A TAX CONTROL COMMISSIONER.
5. ADVANCE END OF FISCAL YEAR OF MUNICIPALITIES TO SEPTEMBER 1, TO ENABLE COUNCILS TO DECIDE BUDGETS BEFORE ELECTION DATES.
6. PROVIDE THAT ALL METRO COUNCIL MEMBERS ELECT A CHAIRMAN OF THE EXECUTIVE, TORONTO MEMBERS TO ELECT TORONTO REPRESENTATIVES; SUBURBAN MEMBERS TO ELECT SUBURBAN REPRESENTATIVES. THIS IS IMPORTANT.
7. AVOID DOUBLE TAXATION. A MUNICIPAL TAX PLUS AN UNQUALIFIED SALES TAX IS DOUBLE TAXATION. A MUNICIPAL TAX PLUS A QUALIFIED SALES TAX IS BETTER. THAT IS WHY I RECOMMEND TAX REBATES.  
IF YOU CAN COME UP WITH A BETTER SOLUTION, HURRAH.

CONCLUSION

BUT REMEMBER, NO MORE MUNICIPAL TAX INCREASE PLEASE, AND LOOK OUT FOR DOUBLE TAXATION. IN SHORT, ECONOMIZE OR IN ADDITION TO PROPERTY OWNERS, TAX MORE PEOPLE.

THE KEY THOUGHT IS LIMITED MUNICIPAL TAXATION.

ALL HEREIN IS SUBMITTED WITH MUCH RESPECT.



DEC. 13th, 1963  
81 ROYAL YORK RD.  
MIMICO.

W. A. EDWARDS







